

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Periodic Reporting

Docket No. RM2003-3

INITIAL COMMENTS OF THE UNITED STATES POSTAL SERVICE

(February 10, 2003)

On January 8, 2003, the Postal Rate Commission issued Order No. 1358, soliciting comments on proposed changes in Rule 102 regarding periodic reporting requirements. The Commission proposes to delete from the list of required reports certain reports currently provided by the Postal Service under Rule 102, while significantly expanding the list by requiring provision of a number of additional reports. Furthermore, the Commission proposes to impose the requirement that Rule 102 reports be “provided in a form that can be executed by publicly available PC software.” Order at 6. Finally, the Commission proposes to revise the rules pertaining to the times by which billing determinants for Express Mail, Priority Mail and Parcel Post must be filed.

The Commission mentions several purposes to be served by a rulemaking at this time. First, the Commission cites a need to update Rule 102 to reflect important changes in the Postal Service’s standard data reports in the years since the periodic reporting rules were first instituted. Second, the Commission asserts that there is a need “to make the information provided more complete, so that trends in operating

results can be better analyzed and evaluated.” Finally, the proposed new electronic formatting requirements are intended “to make the material provided easier to use.”

Order at 1.

After initial review of the proposed amendments to Rule 102, the Postal Service agrees that some of the changes would be beneficial from a practical standpoint, especially where changes in analytical and reporting practices, as well as new reporting requirements, have overtaken circumstances that existed when the current rules were created. It is not clear, however, that other changes are advisable or necessary, in light of the Postal Service's interests and the Commission's statutory responsibilities.

Furthermore, the Postal Service finds that the proposed changes would impose substantial burdens, both in terms of the number of new items to be filed, and in terms of the resource commitments necessary for compliance with periodic requirements. For example, the scope of proposed new Rule 102(a)(1), relating to provision of information relating to Cost and Revenue Analysis (CRA) reports, has been expanded far beyond that of the existing rule. The rule now would require provision of “[a]ll input data, all processing programs that have changed since the most recently completed general rate proceeding, and all computer programs used to attribute mail processing costs to subclasses,” if they are used to produce the CRA. Order No. 1358 at Attachment Page 1 of 4. This broad new documentation requirement apparently would apply not only to the Postal Service's CRA Report, but also to a “CRA-PRC version” required to be produced under the proposed rule. The burden of production in many cases is further expanded due to the proposed new requirement that “[e]ach report should be provided

in a form that can be read by publicly available PC software.” *Id.*

In its proposal, the Commission did give consideration to the additional burden that would be placed on the Postal Service if the proposed additional requirements were placed in effect. The Commission concluded that most, if not all of the material to be required can be presented in PC-compatible format “without undue burden,” and indicates that many reports prepared using certain mainframe programs can be converted to a PC-readable format with “minor additional effort.” Order at 6.<sup>1</sup>

Given the number of new reports proposed to be submitted, and the nature of the information which would require conversion into PC-compatible format, the Postal Service is concerned that the Commission may have underestimated substantially the amount of time and resources that would be needed for the Postal Service to come into compliance with the proposed revised form of Rule 102. Perhaps in recognition of potential concerns of this nature, however, Order No. 1358 states that “[i]f the Postal Service foresees substantial obstacles to complying with this proposed format requirement, it is urged to request a conference with the Commission’s technical staff to explore the nature of these obstacles and ways to overcome them prior to the adoption of a final amended Rule 102.” Order at 7.

The Postal Service agrees with the Commission that informal consultation between representatives of the Postal Service and the Commission’s staff would be the most productive means to explore both the Commission’s objectives and the Postal

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<sup>1</sup> Furthermore, the Commission commented that it would be sufficient for reports from the Postal Service’s accounting system to be submitted in an ASCII flat file form. *Id.*

Service's concerns, prior to filing formal comments. Rather than at this time advancing comments specifically addressing only part of the proposed amendments, therefore, the Postal Service wishes to pursue the course suggested by the Commission. The Postal Service believes that an informal conference could help to clarify how the rules might apply in specific instances of concern to the Postal Service, and determine if any middle ground might exist whereby the burdens of production, if excessive, might be reduced or eliminated. After this exchange of information, the Postal Service would be better prepared to offer additional comments on proposed revisions to Rule 102.<sup>2</sup> With the Commission's consent, the Postal Service will contact the Commission's staff to schedule an informal conference at a mutually convenient time.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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<sup>2</sup> Such comments, of course, could address concerns beyond those strictly relating to the burden of production.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice.

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